THE MYSORE SALES TAX ACT, 1957

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MYSORE ACT No. 25 OF 1957.

(*First published in the* Mysore Gazette *on the Thirtieth Day of September* 1957).

THE MYSORE SALES TAX ACT, 1957.

(As Amended by Acts 9, 31 and 32 of 1958; 11, 12, 28 and 29 of 1961; 26 and 30 of 1962; 9 and 29 of 1964; 3 and 7 of 1966; 16 of 1967 and 17 and 27 of 1969 and 31 of 1969).

(*Received the assent of the President on the Twenty-ninth Day of September* 1957).

An Act to consolidate and amend the laws relating to the levy of tax on the purchase or sale of goods.

WHEREAS it is expedient to consolidate and amend the laws relating to the levy of tax on the purchase or sale of goods in the State of Mysore;

BE it enacted by the Mysore State Legislature in the Eighth Year of the Republic of India as follows:—

CHAPTER I.

PRELIMINARY.

1. *Short title, extent and commencement.*—(1) This Act may be called the Mysore Sales Tax Act, 1957.

(2) It extends to the whole of the State of Mysore.

[1][(3) This section shall come into force at once, and the rest of the Act shall come into force on such date as the State Government may by notification in the Official Gazette appoint.

2. *Definitions.*—(1) In this Act, unless the context otherwise requires.—

(*a*) "agriculture" with its grammatical variations includes horticulture, the raising of crops, grass or garden produce, and grazing, but does not include dairy farming, poultry farming, stock breeding and mere cutting of wood;

(*b*) "agriculturist" means a person who cultivates land personally;

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[1] This Act has come into force on 1st October 1957.

(*c*) "agricultural produce or horticultural produce" shall not be deemed to include tea ;

(*d*) "Appellate Tribunal" means the Tribunal appointed under section 4 ;

(*e*) "assessee" means a person by whom a tax is payable;

[1][(*f*) "assessing authority" means an Assistant Commercial Tax Officer or Commercial Tax Officer or any other officer of the Commercial Taxes Department authorised to make any assessment by or under this Act ;]

[2][(*f*-1) "Assistant Commissioner" means any person appointed to be an Assistant Commissioner of Commercial Taxes under secton 3 ;]

[3][(f-2) "business" includes any trade, commerce or any adventure or concern in the nature of trade, or commerce with or without profit motive in such trade, commerce, adventure or concern ;]

[3][(*f*-3) "casual trader" means a person who has whether as principal, agent or in any other capacity, occasional transactions of a business nature involving the buying, selling, supply or distribution of goods in the State, whether for cash or for deferred payment, or for commission, remuneration, or other valuable consideration ;]

(*g*) "Commissioner" means any person appointed to be a Commissioner of Commercial Taxes under section 3 ;

(*h*) "Commercial Tax Officer" or "Assistant Commercial Tax Officer" means any person appointed to be a Commercial Tax Officer or Assistant Commercial Tax Officer respectively under section 3 ;

(*i*) "to cultivate" with its grammatical variations and cognate expressions means to carry on any agricultural operation ;

(*j*) "to cultivate personally" means to cultivate on one's own account—

(*i*) by one's own labour, or

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1. Substituted by Act 9 of 1964.
2. Inserted by Act 29 of 1961 as clause (f) and relettered as clause (f-1) by Act 9 of 1964.
3. Inserted by Act 9 of 1964.

(ii) by the labour of one's own family or

(iii) by servants on wages payable in cash or kind but not in crop share, or by hired labour under one's personal supervision or the personal supervision of any member of one's family;

Explanation 1.—A person who is a widow or a minor or is subject to any physical or mental disability shall be deemed to cultivate the land personally if it is cultivated by her or his servants or by hired labour.

Explanation II.—In the case of undivided family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family.

[1][(*k*) "dealer" means any person who carries on the business of buying, selling, supplying or distributing goods, directly or otherwise, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes—

(i) [2][an industrial, commercial or trading undertaking of the Government of Mysore, the Central Government, a State Government of any State other than the Government of Mysore,][2] a local authority, company, a Hindu undivided family, an Aliyasanthana family, a firm, a society, a club or an association which carries on such business;

(ii) a casual trader;

(iii) a commission agent, a broker or *del credere* agent or an auctioner or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;

(iv) a non-resident dealer or an agent of a non-resident dealer, a local branch of a firm or company or association situated outside the State;

(v) a person who sells goods produced by him by manufacture or otherwise.

Explanation.—A society (including a co-operative society), club or firm or an association which, whether or not in the course of business, buys, sells, supplies or distri-

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 7 of 1966.

butes goods from or to its members for cash, or for deferred payment or for commission, remuneration or other valuable consideration, shall be deemed to be a dealer for the purposes of this Act;

Exception.—An agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally shall not be deemed to be a dealer within the meaning of this clause;]

(*l*) "Deputy Commissioner" means any person appointed to be a Deputy Commissioner of Commercial Taxes under section 3.

[1][(*m*) "goods" means all kinds of movable property (other than newspapers, actionable claims, stocks and shares and securities) and includes livestock, all materials, commodities, and articles (including those to be used in the fitting out, improvement or repair of movable property), and all growing crops, grass or things attached to, or forming part of, the land which are agreed to be severed before sale or under the contract of sale;]

[2][(*n*) * * *]

(*o*) "licence" means a licence granted or renewed under this Act;

(*p*) "notification" means a notification published in the Official Gazette;

[3][(*q*) "place of business" means any place where a dealer purchases or sells goods and includes—

(i) any warehouse, godown or other place where a dealer stores or processes his goods;

(ii) any place where a dealer produces or manufactures goods;

(iii) any place where a dealer keeps his books of account;

(iv) in any case where a dealer carries on business through an agent (by whatever name called), the place of business of such agent;]

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1. Substituted by Act 9 of 1964.
2. Omitted by Act 29 of 1961.
3. Substituted by Act 9 of 1964.

(*r*) "prescribed" means prescribed by rules made under this Act;

(*s*) "registered dealer" means a dealer registered under this Act;

[1][(*t*) "sale" with all its grammatical variations and cognate expressions means every transfer of the property in goods by one person to another in the course of trade or business for cash or for deferred payment or other valuable consideration, but does not include a mortgage, hypthecation, charge or pledge.

Explanation (1).—A transfer of property involved in the supply or distribution of goods by a society (including a co-operative society), club, firm, or any association to its members, for cash or for deferred payment or other valuable consideration, whether or not in the course of business, shall be deemed to be a sale for the purposes of this Act.

Explanation (2).—[2][x x x x x x]

Explanation (3).—(*a*) The sale or purchase of goods shall be deemed, for the purposes of this Act, to have taken place in the State wherever the contract of sale or purchase might have been made, if the goods are within the State—

(i) in the case of specific or ascertained goods, at the time the contract of sale or purchase is made; and

(ii) in the case of unascertained or future goods at the time of their appropriation to the contract of sale or purchase by the seller or by the purchaser, whether the assent of te other party is prior or subsequent to such appropriation.

(*b*) Where there is a single contract of sale or purchase of goods situated at more places than one, the provisions of clause (*a*) shall apply as if there were separate contracts in respect of the goods at each of such places.

Explanation (4).—Notwithstanding anything to the contrary contained in this Act or any other law for the time

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1. Substituted by Act 9 of 1964.
2. Omitted by Act 7 of 1966.

being in force two independent sales or purchases shall, for the purposes of this Act, be deemed to have taken place,—

(*a*) when the goods are transferred from a principal to his selling agent and from the selling agent to the purchaser, or

(*b*) when the goods are transferred from the seller to a buying agent and from the buying agent to his principal, if the agent is found in either of the cases aforesaid,—

(i) to have sold the goods at one rate and to have passed on the sale proceeds to his principal at another rate, or

(ii) to have purchased the goods at one rate and to have passed them on to his principal at another rate, or

(iii) not to have accounted to his principal for the entire collections or deductions made by him in the sales or purchases effected by him on behalf of his principal, or

(iv) to have acted for a fictitious or non-existent principal ;]

(*u*) "tax" means a tax leviable under the provisions of this Act;

[1][(*u*-1) "taxable turnover" means the turnover on which a dealer shall be liable to pay tax as determined after making such deductions from his total turnover and in such manner as may be prescribed, but shall not include the turnover of purchase or sale in the course of inter-state trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India ;

(*u*-2) "total turnover" means the aggregate turnover in all goods of a dealer at all places of business in the State whether or not the whole or any portion of such turnover is liable to tax, including the turnover of purchase or sale in the course of inter-state trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India ;]

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1. Inserted by Act 9 of 1964.

(*v*) "turnover" means the aggregate amount for which goods are bought or sold or supplied or distributed by a dealer either directly or through another, on his own account or on account of others, whether for cash or for deferred payment or other valuable consideration.

Explanation.—Subject to such conditions and restrictions, if any, as may be prescribed, in this behalf—

(i) [1][x x x x x]

(ii) the amount for which goods are sold include any sums charged for anything done by the dealer in respect of the goods sold at the time of or before the delivery thereof;

(iii) any cash or other discount on the price allowed in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the turnover; and

(iv) where for accommodating a particular customer, a dealer obtains goods from another dealer and immediately disposes of the same to the said customer, the sale in respect of such goods shall be included in the turnover of the latter dealer but not in that of the former;

[2][(w) * * *]

(*x*) "year" means the financial year commencing on the first day of April; but for purposes of assessment a dealer may at his option declare that he will adopt the year for which the accounts of that dealer are ordinarily maintained in his books and where no such declaration is made the year commencing on the first of April and ending on the 31st of March shall be reckoned as the assessment year:

Provided that a registered dealer shall not change his assessment year except with thep revious permission of the Assessing Authority of the area and except on such terms and conditions as may be determined by that authority.

(2) The Mysore General Clauses Act, 1899 (Mysore Act III of 1899), shall apply for the interpretation of this Act as it applies for the interpretation of a Mysore Act.

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1. Omitted by Act 7 of 1966.
2. Omitted by Act 9 of 1964.

CHAPTER II.

AUTHORITIES AND APPELLATE TRIBUNAL.

3. *Appointment of Commissioner,* [1][*Deputy Commissioner of Commercial Taxes, Assistant Commissioners of Commercial Taxes, Commercial Tax Officers and Assistant Commercial Tax Officers*].— The State Government may appoint a Commissioner of Commercial Taxes and as many [1][Deputy Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes, Commercial Tax Officers, and Assistant Commercial Tax Officers] as they think fit for the purpose of performing the functions respectively conferred on them by or under this Act [2][or by or under any other law for the time being in force.] [3][* * * * .]

[4][3-A. *Instructions to subordinate authorities.*—(1) All officers and persons employed in the execution of this Act shall *observe and follow the orders, instructions and directions* of the State Government and the Commissioner :

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of any appellate authority in the exercise of its appellate functions.

(2) Every Assistant Commercial Tax Officer or Commercial Tax Officer employed in the execution of this Act shall observe and follow such instructions as may be issued to him for his guidance by the Deputy Commissioner within whose jurisdiction he performes his functions.]

[5][3-B. *Jurisdiction of Officers.*—(1) (*a*) The Deputy Commissioners shall perform their functions in respect of such areas or of such dealers or classes of dealers or of such cases or classes of cases as the State Government may direct.

(*b*) Where any directions issued under clause (*a*) have assigned to two or more Deputy Commissioners, the same area or the same dealers or classes of dealers, or the same cases or classes of cases, they shall perform their functions in accordance with any orders which the Commissioner may make for the distribution and allocation of the work to be performed.

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1. Substituted by Act 29 of 1961.
2. Inserted by Act 30 of 1962.
3. Second sentence omitted by Act 9 of 1964.
4. Inserted by Act 9 of 1964.
5. Inserted by Act 9 of 1964.

(2) (*a*) The Assistant Commissioners shall perform their functions in respect of such areas or of such dealers or classes of dealers or of such cases or classes of cases as the State Government may direct.

(*b*) Where any directions issued under clause (*a*) have assigned to two or more Assistant Commissioners, the same area or the same dealers or classes of dealers or the same cases or classes of cases, they shall perform their functions in accordance with any orders the Commissioner may make for the distribution and allocation of the work to be performed.

(3) (*a*) The Assistant Commercial Tax Officers and the Commercial Tax Officers shall perform their functions in respect of such areas or of such dealers or classes of dealers or such cases or classes of cases as the Commissioner may direct.

(*b*) Where any directions issued under clause (*a*) have assigned to two or more Assistant Commercial Tax Officers or Commercial Tax Officers, as the case may be, the same area or the same dealers or classes of dealers or the same cases or classes of cases they shall perform their functions in accordance with any orders which the Commissioner may make for the distribution and allocation of the work to be performed.

(4) (*a*) The Commissioner may, by general or special order in writing, direct that the powers conferred on the Commercial Tax Officer by or under this Act, shall in respect of any specified case or classes of cases or any specified dealers or classes of dealers be exercised by the Assistant Commissioner.

(*b*) Where an order under clause (*a*) is issued, then for the purposes of any case or dealer in respect of which any such order applies, reference in this Act or in any rule made thereunder to the Commercial Tax Officer or assessing authority shall be deemed to be references to the Assistant Commissioner.

Explanation.—In this section, the word "Case" in relation to any dealer specified in any order or direction issued thereunder means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order or direction in respect of any year.

3-C. *Change of incumbent of an office.*—Whenever in respect of any proceeding under this Act, an assessing authority or any officer ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the authority or officer so succee-

ding may continue the proceeding from the stage at which the proceeding was left by his predecessor ;

Provided that the assessee concerned may demand that before the proceeding is so continued the previous proceeding or any part thereof be reopened or that before any order of assessment is passed against him, he be reheard.]

4. *Appellate Tribunal.*—(1) The State Government shall appoint an Appellate Tribunal consisting of a Chairman and two other members to exercise the functions conferred on the Appellate Tribunal by or under this Act [or by or under any other law for the time being in force]. The Chairman shall be a judicial officer not below the rank of a District Judge, and of the other two members, one shall be an officer of the Commercial Taxes Department not below the rank of a Deputy Commissioner and the other shall be a non-official practising the profession of Accountancy for a period of not less than five years and who is a Accountant as defined in the Chartered Accountants Act, 1949 (Central Act XXXVIII of 1949).

(2) Any vacancy in the membership of the Appellate Tribunal shall be filled up by the State Government.

(3) (*a*) The functions of the Tribunal may be exercised by a Bench consisting of all the members of the Tribunal or by a Bench consisting of two members constituted by the Chairman or, in the event of the office of a member other than the Chairman being vacant, by a Bench consisting of the Chairman and the other member :

Provided that, if any case which comes up before a Bench of which the Chairman is not a member involves a question of law the Bench may, in its discretion reserve such case for decision by a Bench of which the Chairman shall be a member.

(*b*) Where an appeal or application is heard by all the three members of the Tribunal, and the members differ in opinion on any point, the point shall be decided in accordance with the opinion of the majority.

(*c*) Where an appeal or application is heard by a Bench consisting of two members and the members are divided in their opinion, the case shall be referred to the full Bench.

(4) The Appellate Tribunal shall, with the previous sanction of the State Government, make regulations consistent with the pro-

1. Inserted by Act 30 of 1962.

visions of this Act and the rules made thereunder, for regulating its procedure and the disposal of its business.

(5) The regulations made under sub-section (4) shall be published in the Official Gazette.

CHAPTER III.

INCIDENCE AND LEVY OF TAX.

5. *Levy of tax on sale or purchase of goods.*—(1) Every dealer shall pay for each year tax on his [1][taxable turnover] at the rate of [2][three per cent] of such turnover;

[3][Provided that if and when to the extent to which such turnover relates to articles made of gold or silver, the tax shall be calculated at the rate of [two][4] per cent of such turnover.]:

Provided [4][further] that if and to the extent to which such turnover relates to [5][gor,] [6][x x] [7][pulses including tur dhals, flour and husks,] [6][x x] [8][wheat (including atta, maida, soji and bran), bread [9][vermicelli], paddy, rice (including [10][parched rice and beaten rice and bran, turmeric powder, and [11][gunny bags and bardans and hessian cloth] bran)][10] ragi, jola, maize, bajra, navane, samey ಸಾ ಮು), turmeric and turmeric powder [12][x x] the tax shall be calculated at the rate of [10][one and a half] per cent of such turnover.

[7][(2) Notwithstanding anything contained in sub-section (5), a dealer registered under the Central Sales Tax Act, 1956, shall, whatever be the quantum of his total turnover, be liable to pay tax at the rate specified this Act, [11][on the sale of any goods which he has purchased in the course of inter-state trade or commerce in respect of which the concessional rate of tax under clause (*b*) of sub-section (1) of section 8 of the Central Sales Tax Act, 1956, has been levied][11].

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 7 of 1966.
3. Inserted by Act 30 of 1962.
4. Inserted by Act 30 of 1962.
5. Substituted by Act 32 of 1958.
6. Omitted by Act 9 of 1964.
7. Substituted by Act 31 of 1968.
8. Substituted by Act 9 of 1964.
9. Inserted by Act 16 of 1967.
10. Substituted by Act 7 of 1966.
11. Substituted by Act 3 of 1966.
12. Omitted by Act 30 of 1962.

(3) Notwithstanding anything contained in sub-section (1), the tax under this Act shall be levied—

(*a*) in the case of the sale of any goods mentioned in column (2) of the Second Schedule, by the first or the earliest of successive dealers in the State who is liable to tax under this section, a tax at the rate specified in the corresponding entry of column (3) of the said Schedule, on the [1][taxable turnover] of sales of such dealer in each year relating to such goods:

[2][Provided that in respect of sale by the State Government of any of the goods mentioned in serial numbers 38, 39 and 40 of the second schedule the State Government shall be deemed to be the first dealer in the State and shall be entitled to collect the tax under section 19;]

(*b*) in the case of purchase of any of the goods mentioned in column (2) of the Third Schedule, at the rate and only at the point specified in the corresponding entries of columns (4) and (3) of the said Schedule, on the dealer liable to tax under this Act, on his [1][taxable turnover] of purchases in each year relating to such goods.

[3][(3A) Notwithstanding anything contained in sub-section (1) or sub-section (3), the tax payable by a dealer in respect of any sale of goods mentioned in the Second Schedule by such dealer to a registered dealer for use by the latter as component part of any other goods mentioned in that Schedule, which he intends to manufacture inside the State for sale, shall be at the rate of two per cent or the rate specified in the Second Schedule in respect of such gods whichever is lower on the turnover relating to such sale:

Provided that the provisions of this sub-section shall not apply to any sale unless the dealer selling the goods furnishes to the assessing authority in the prescribed manner a declaration duly filled in and signed by the dealer to whom the goods are sold containing the prescribed particulars in a perscribed form obtained from the prescribed authority.

Explanation.—For the purpose of this sub-section, "component part" means an article which forms an identifiable constituent of the finished product and which along with others goes to make up the finished product.]

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1. Substituted by Act 9 of 1964.
2. Inserted by Act 32 of 1958.
3. Inserted by Act 3 of 1966.

[1][(4) Notwithstanding anything contained in sub-section (1) a tax under this Act shall be levied in respect of the sale or purchase of any of the declared goods mentioned in column (2) of the Fourth Schedule at the rate and only at the point specified in the corresponding entries of columns (4) and (3) of the said Schedule on the dealer liable to tax under this Act on [2][his taxable turnover] of sales or purchases in each year relating to such goods:

Provided that where tax has been paid in respect of the sale or purchase of any of the declared goods under this sub-section and such goods are subsequently sold in the course of inter-State trade or commerce, the tax paid under this Act [3][shall be refunded to such person in such manner and subject to such condition as may be prescribed.]

[4][Provided further that where tax has been paid by any dealer under this Act in respect of the purchase of goods mentioned in serial numbers 5(*a*) and 6 of the Fourth Schedule and such goods are subsequently sold to any other dealer in the State, liable to the payment of tax under this Act, the tax paid by the earlier dealer in respect of such goods shall be refunded to him on production of proof] [1][that such goods have been sold to such later dealer.]

[5][* * * * *]

Explanation.—The expression "declared goods" means goods declared under section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), to be of special importance in inter-State trade or commerce.

[2][(5) (*a*) A dealer whose total turnover in any year is less than [6][ten thousand rupees] shall not be liable to pay tax for that year.

(*b*) Notwithstanding anything contained in clause (*a*), every casual trader in any of the goods specified in the Third Schedule or the Fourth Schedule shall be liable to pay tax at the rate specified in this Act on his taxable turnover of sales or purchases in each year whatever his total turnover during the year may be.]

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1. Substituted by Act 31 of 1958.
2. Substituted by Act 9 of 1964.
3. Substituted by Act 29 of 1961.
4. Added by Act 29 of 1961.
5. Third and Fourth provisos omitted by Act 30 of 1962.
6. Substituted by Act 7 of 1966

[1][(5-A) [2][* * * * *]

[3][(5-B) [4][* * * * *]

(6) For the purpose of this section and other provisions of this Act, [5][the total turnover, taxable turnover or turnover] shall be determined in accordance with such rules as may be prescribed.

(7) The tax shall be assessed, levied and collected in such manner and in such instalments, if any, as may be prescribed :

Provided that in respect of the same transaction of sale, the buyer or the seller, but not both, as determined by such rules as may be prescribed, shall be taxed :

[6][* * * * *]

[7][(8) * * * * *]

(9) Subject to such rules as may be prescribed, the assessing authority may assess a dealer for any year as if his transactions in such year had been the same as in previous year.

[1][6. *Provisions of section 5 not applicable in certain cases.*—(1) A dealer in raw silk who obtains a licence and satisfies such restrictions and conditions including the payment of such licence fees as may be prescribed, shall not be liable to pay tax under section 5.

(2) The licence fees payable under sub-section (1) may be computed on the taxable turnover of the dealer relating to the goods specified in the said sub-section, and such fees shall be levied as if it were a tax.

(3) If any restriction or condition prescribed under sub-section (1) is contravened or is not observed by a dealer, the sales of such dealer may, with effect from the commencement of the year in which such contravention or non-observance took place be assessed to tax under sub-section (1) of section 5 as if the provisions of sub-sections (1) and (2) did not apply to such sales.]

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1. Substituted by Act 9 of 1964.
2. Omitted by Act 7 of 1966.
3. Substituted by Act 9 of 1964.
4. Omitted by Act 7 of 1966.
5. Substituted by Act 9 of 1964.
6. Omitted by Act 9 of 1964 with retrospective effect.

[1][6A. *Burden of proof.*—(1) For purposes of assessment of tax under this Act, the burden of proving that any transaction or any turnover of a dealer is not liable to tax shall lie on such dealer.

(2) Notwithstanding anything contained in this Act or in any other law, a dealer in any of the goods liable to tax in respect of the first sale or first purchase in the State shall be deemed to be the first seller or first purchaser, as the case may be, of such goods and shall be liable to pay tax accordingly on his turnover of sales or purchases, relating to such goods, unless he proves that the sale or purchase, as the case may be, of such goods had already been subjected to tax under this Act.]

7. *Liability to taxation under this Act of transactions.*—The tax under this Act shall be levied on any transaction of sale or purchase deemed to take place inside the State under this Act or any other law for the time being in force. [2][The provisions of this Act relating to taxation on sales or purchases inside the State only at a single point or only at one or more stages apply to sales or purchases inside the State.]

3. *Exemption of tax.*—[3][(1)] No tax shall be payable under this Act on the sale of goods specified in the Fifth Schedule subject to the conditions and exceptions, if any, set out therein.

[4][(2) [6][* * * * *]

[5][(3) [6][* * * * *]

[7][8A. *Power of State Government to notify exemptions and reductions of tax.*—(1) The State Government may, by notification, make an exemption, or reduction in rate, in respect of any tax payable under this Act—

(*a*) on the sale or purchase of any specified goods or class of goods, at all points in the series of sales by successive dealers ; or

(*b*) by any specified class of persons, in regard to the whole or any part of their turnover.

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1. Inserted by Act 9 of 1964.
2. Substituted by Act 26 of with retrospective effect.
3. Renumbered by Act 9 of 1958.
4. Added by Act 9 of 1958.
5. Added by Act 12 of 1958.
6. Sub-sections (2) and (3) Omitted by Act 7 of 1966.
7. Inserted by Act 16 of 1967.

(2) Any exemption from tax or reduction in the rate of tax, notified under sub-section (1) may be subject to such restrictions and conditions as may be specified in the notification.

(3) The State Government may, by notification, cancel or vary any notification issued under sub-section (1).

(4) If any restriction or condition specified under sub-section (2) is contravened or is not observed by a dealer, the sales or purchases of such dealer may, with effect from the commencement of the year in which such contravention or non-observance took place, be assessed to tax or taxes under the appropriate provisions of this Act as if the provisions of the notification under sub-section (1) did not apply to such sales or purchases.

9. *Act to apply to non-resident dealers with certain modifications and additions.*—In the case of any person carrying on the business of buying or selling goods in the State of Mysore but residing outside the State of Mysore (hereinafter in this section referred to as a "non-resident"), the provisions of this Act shall apply subject to the following modifications and additions, namely :—

(i) in respect of the business or the non-resident, his manager or agent residing in the State of Mysore shall be deemed to be the dealer ;

(ii) the manager or agent of a non-resident shall be assessed to tax under this Act at the rate or rates leviable thereunder in respect of the business of such non-resident in which the manager or agent is concerned, irrespective of the amount of the turnover of such business being less than the minimum specified in sub-section (5) of section 5.

(iii) without prejudice to his other rights, any manager or agent of a non-resident who is assessed under this Act in respect of the business of such non-resident may retain out of the moneys payable to the non-resident by the manager or agent a sum equal to the amount of tax assessed on or paid by the manager or agent.

CHAPTER IV.

REGISTRATION AND GRANT OF LICENCES.

[1][10. *Registration of dealers, commission agents, etc.*—(1) Every dealer whose total turnover in any year is not less than [2][ten thousand rupees] shall, and any other dealer may, get himself registered under this Act.

(2) Notwithstanding anything contained in sub-section (1),—

(i) every casual trader dealing in goods mentioned in the Third Schedule or the Fourth Schedule;

(ii) every dealer registered under the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

(iii) every dealer residing outside the State but carrying on business in the State;

(iv) every manager or agent of a non-resident dealer; and

(v) every commission agent, broker, *del credere* agent, auctioneer of any other mercantile agent, by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal, shall get himself registered under this Act, irrespective of the quantum of his total turnover in such goods.

[3][10-A. *Procedure for registration.*—(1) An application for registration under section 10 shall be made to such authority, in such manner and within such period as may be prescribed and shall be accompanied by a fee of six rupees.

(2) If the prescribed authority after making such enquiries as it may consider necessary is satisfied that the application is in order and that the particulars furnished therein are correct, it shall register the applicant and issue to him a certificate in the prescribed form.

(3) Where a dealer has more than one place of business, the registration certificate shall cover all such places of business. The prescribed authority shall issue copies of the registration certificate to the dealer for exhibition at each of his places of business and the dealer shall pay a fee of one rupee for each copy.

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 7 of 1966.
3. Inserted by Act 9 of 1964.

(4) The prescribed authority shall have power for good and sufficient reasons to demand from any dealer, who has been registered or has applied for renewal of registration, security for the proper payment of tax by him for an amount not exceeding one-half of the tax payable on the turnover of the dealer for the year as estimated by the prescribed authority or three months' compounded rate in the case of applicants who have opted to pay tax under section 17:

Provided that the assessing authority shall have power to demand at any time additional security if such authority has reason to believe that the turnover estimated under this sub-section was too low.

(5) A certificate issued under sub-section (2) shall be valid for a year and shall be renewed from year to year on payment of the fee specified in sub-section (1).

(6) A dealer registered under sub-section (1) of section 10 shall be entitled to have his registration cancelled if he is able to prove to the satisfaction of the prescribed authority that his turnover in each of the two consecutive years immediately preceding the application was less than the limit mentioned in the said sub-section.

(7) The prescribed authority shall have power, for good and sufficient reasons, to cancel, modify or amend any registration certificate issued by it.

(8) No application for registration and no renewal under this section shall be refused and no order under sub-section (4) or sub-section (7) shall be made, unless the dealer concerned has been given a reasonable opportunity of being heard.

(9) When a dealer has ceased to do business in any year, and gives notice of that fact to the prescribed authority, he shall not be liable to pay any registration fee from the commencement of the following year unless he resumes business.

(10) The dealer shall exhibit the certificate of registration granted under sub-section (1) at the place of business mentioned in the certificate. Where the dealer has more than one place of business, he shall exhibit the certificate of registration at the principal place of business mentioned in the certificate and a copy of such certificate granted under sub-section (3) at every other place of business within the State mentioned in the certificate.]

11. *Licensing of Agents.*—(1) Every person who for an agreed commission or brokerage buys or sells on behalf of known principals specified in his accounts in respect of each transaction shall obtain

a licence from the assessing authority concerned on payment of such fee not exceeding fifty rupees as may be prescribed in that behalf:

Provided that—

(i) in the case of an agent who carries on such business in the State of Mysore on behalf of the principal who is a resident of the State of Mysore, the agent shall be assessed to the tax or taxes leviable under this Act in respect of the transaction [1][provided that the agent may voluntarily pay the tax or the taxes collected, as and when collected to the State Government pending assessment of the tax payable by him,]without prejudice to his other rights to recover from his principal the tax or taxes paid by him on behalf of the principal such agent may retain out of any moneys payable to the principal by the agent, a sum equal to the amount of the tax assessed on or paid by the agent. The principal on whose behalf the agent has paid the tax as aforesaid shall not again be taxed in respect of the same transactions but the burden of proving that the tax in respect of the transaction has been paid by the agent shall be on such principal;

(ii) the commission or brokerage agreed upon and specified in the accounts represents the entire remuneration payable to the agent, apart from the tax paid by him on behalf of the principal and the legitimate incidental charges actully incurred by him and specified in the accounts in respect of insurance, transport, loading and unloading, godown rent, interest, correspondence, telegram, the use of the telephone and the like.

[2][(2) Notwithstanding anything contained in sub-section (1), in the case of goods taxable at the point of purchase by the last dealer in the State liable to tax under this Act, the commission agent (other than the agent of a non-resident principal) purchasing such goods shall not be assessed to tax but the principal who has effected such purchase through the commission agent shall be assessed to tax, as if he is the last dealer in the State.

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1. Inserted by Act 31 of 1958.
2. Section 11 renumbered as sub-section (1) and sub-section (2) Inserted by Act 16 of 1967.

CHAPTER V.

RETURNS, ASSESSMENT, PAYMENT, RECOVERY, COMPOSITION AND COLLECTION OF TAX.

12. *Returns and assessment.*—(1) Every dealer whose turnover is [1][ten thousand rupees] or more in a year [2][and every registered dealer whatever may be the quantum of his turnover] shall submit such return or returns relating to his turnover in such manner and within such period as may be prescribed.

(2) If the assessing authority is satisfied that any return submitted under sub-section (1) is correct and complete, he shall assess the dealer on the basis thereof.

(3) If no return is submitted by the dealer under sub-section (1) before the date prescribed or specified in that behalf, or if the return submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority shall assess the dealer to the best of his judgement, recording the reasons for such assessment:

Provided that before taking action under this sub-section the dealer shall be given a reasonable opportunity of proving the correctness and completeness of the return submitted by him.

[3][(4) When making any assessment under sub-section (3), the assessing authority may also direct the dealer to pay, in addition to the tax assessed, a penalty not exceeding one and a half times the amount of tax due on the turnover that was not disclosed by the dealer in his return or, in the case of failure to submit a return, one and a half times the tax assessed, as the case may be.]

[4][12-A. *Assessment of escaped turnover*].—[5][(1)] Where for any reason the whole or any part of the turnover of a dealer has escaped assessment to tax or licence fee or has been assessed at a lower rate than the rate at which it is assessable, the assessing authority, appellate authority or the revising authority may, subject to the provisions of sub-section (2), at any time within a period of five years from the expiry of the year to which the tax or licence fee relates assess to the best of its judgment, the tax or licence fee payable on the turnover referred to after issuing a notice to the dealer and after making such enquiry as it considers necessary.

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1. Substituted by Act 7 of 1966.
2. Inserted by Act 3 of 1958.
3. Inserted by Act 3 of 1966.
4. Substituted by Act 26 of 1962.
5. Re-numbered by Act 9 of 1964.

[1][(1-A) In making an assessment under sub-section (1), the assessing authority may, if it is satisfied that the escape from assessment is due to wilful non-disclosure of assessable turnover by the dealer, direct the dealer to pay, in addition to the tax assessed under sub-section (1), a penalty not exceeding one and a half times the tax so assessed :

Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.]

(2) In computing the period of limitation for assessment of the escaped turnover under this section, the time during which an assessment has been deferred on account of any stay order granted by any court or other authority in any case, or by reason of the fact that an appeal or other proceding is pending before the Appellate Tribunal or the High Court or the Supreme Court, shall be excluded :

Provided that nothing in this section shall be deemed to affect the revisional powers of [2][the Assistant Commissioner and Deputy Commissioner under section 21 and of the Commissioner under section 22-A] :

Provided further that nothing contained in this section limiting the time within which any action may be taken or any order, assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, direction or order made under sections 20, 21, 22, 23 or 24 or any judgment, or order made by the Supreme Court, the High Court, or any other Court.]

[3][12-B. *Provisional Assessment.*—(1) The tax for each year payable under any of the provisions of this Act may be assessed, levied and collected in advance during the year in monthly or quarterly instalments, in accordance with the provisions of this section.

(2) In the case of a dealer liable to submit a return under sub-section (1) of section 12, at any time after the period prescribed for the submission of such return in respect of his turnover for the

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1. Inserted by Act 9 of 1964.
2. Substituted by Act 9 of 1964.
3. Inserted by Act 12 of 1961.

preceding year, the assessing authority may determine the amount of tax payable for the current year,—

(*a*) if the assessment of tax on the turnover for the preceding year has been completed, on the basis that the turnover of the dealer for the current year will be the same as has been determined to be the turnover for the previous year;

(*b*) if the assessment for the previous year has not been completed, on the basis that the turnover of the dealer for the current year will be the same as has been mentioned in the return submitted by the dealer under sub-section (1) of section 12 as the turnover for the preceding year;

(*c*) if the assessment for the previous year has not been completed and no return has been submitted by the dealer under sub-section (1) of section 12 or if the return submitted by him under the said sub-section appears to the assessing authority to be incorrect or incomplete, to the best of the judgment of the assessing authority recording the reasons for such determination;

(*d*) if the dealer estimates that his turnover in the current year is likely to be less than his turnover assessed for the previous year in case where the assessment for the previous year is completed, or his turnover mentioned in the return submitted by him for the previous year in case where the assessment for the previous year has not been completed, he may file a return of his estimated turnover for the current year within thirty days of the commencement of the current year. It he satisfies the assessing authority that his turnover in the current year is likely to be less than his turnover in the previous year, the assessing authority shall not follow the procedure specified in clauses (*a*) and (*b*) but shall assess him on the basis of the turnover for the surrent year as estmated by the assessing authority.

[1][Provided that in the case of an assessment made under clause (*b*) or clause (*c*), the assessing authority may make a fresh assessment under clause (*a*) if on the completion of the final assessment for the preceding

1. Inserted by Act 3 of 1966.

year it is found that the amount of tax finally assessed for the preceding year is more than the amount of tax provisionally fixed for the current year under clause (*b*) or clause (*c*).]

(3) (a) A dealer not liable to submit a return under sub-section (1) of section 12, whose total turnover within any year reaches seven thousand and five hundred rupees, shall within thirty days of the day on which his total turnover reaches seven thousand and five hundred rupees, submit to the assessing authority a return in the prescribed form showing his estimated turnover during that year, and the assessing authority may determine the amount of tax payable for the year on the basis of such estimated turnover;

(*b*) if no return is submitted by the dealer under clause (*a*) within the aforesaid period, or if the return submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority may determine the amount of tax payable in respect of the year, to the best of his judgment, recording the reasons for such determination.

(4) In cases of determination of the amount of tax under clauses (*c*) and (*d*) of sub-section (2) or clause (*b*) of sub-section (3) in respect of an incorrect or incomplete return, the assessing authority shall give a reasonable opportunity to the dealer to be heard and where the dealer has filed a return, to prove the correctness or completeness of such return.

(5) Where the amount of tax payable has been determined under sub-sections (2), (3) and (4), the dealer shall pay the sum assessed within such time as may be prescribed.

(6) The assessment, levy and collection of tax for any year under this section shall be subject to such adjustment as may be prescribed on the completion of final assessment for that year in the manner prescribed.]

[1][(7) In lieu of the method of assessment laid down in such sections (2) and (3), the tax referred to in sub-section (1) may be assessed, levied and collected in advance during the year on the basis of the actual turnover of a dealer in accordance with such rules as may be prescribed and for purposes of this sub-section, a dealer may be required to furnish periodical returns of the actual turnover.]

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1. Inserted by Act 9 of 1964 with retrospective effect.

13. *Payment and recovery of tax.*—[1][(1) The tax under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be prescribed.]

(2) [1][If default is made in making payment in accordance with sub-section (1),]

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the person or persons liable to pay the tax under this Act ; and

(ii) the person or persons liable to pay the tax under this Act shall pay a penalty equal to—

(*a*) one per cent of the amount of tax remaining unpaid for each month for the first three months, after the expiry of the [1][time prescribed under sub-section (1)] and

(*b*) two and one-half per cent of such amount for each month subsequent to the first three months as aforesaid.

[2][*Explanation.*—For purposes of clause (ii), the penalty payable for a part of a month shall be proportionately determined.

[3][(2A) Nothstanding anything contained in sub-section (2). the State Government may, subject to such conditions as may, be prescribed, remit the whole or any part of the penalty payable in respect of any period by any person or class of persons.]

(3) Any tax assessed, or any other amount due under this Act from a dealer, may without prejudice to any other mode of collection be recovered—

(*a*) as if it were an arrear of land revenue, or

(*b*) on application to any Magistrate, by such Magistrate as if it were a fine imposed by him :

[4][Provided that where a dealer or other person who has appealed or applied for revision of any order made under this Act and has complied with an order made by the appellate or the revising authority in regard to the payment of the tax or other amount, no proceed-

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1. Substituted by Act 32 of 1958
2. Added by Act 16 of 1967.
3. Inserted by Act 9 of 1966.
4. Substituted by Act 9 of 1964 with retrospective effect.

ings for recovery under this sub-section shall be taken or continued until the disposal of such appeal or application for revision.]

[1][(4) The High Court may either *suo motu* or on an application by the Commissioner or any person aggrieved by the order revise any order made by a magistrate under clause (*b*) of sub-section (3).]

14. *Recovery of tax from certain other persons.*—(1) The assessing authority may at any time or from time to time, by notice in writing (a copy of which shall be forwarded to the dealer at his last address known to the assessing authority) require any person from whom money is due or may become due to the dealer or any person who holds or may subsequently hold money for or on account of the dealer to pay to the assessing authority, either forthwith upon the money becoming due or being held at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the dealer in respect of arrears of tax or penalty or the whole of the money when it is equal to or less than that amount.

(2) The assessing authority may at any time or from time to time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the dealer and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount referred to in the receipt.

(4) Any person discharging any liability to the dealer after receipt of the notice referred to in this section shall be personally liable to the assessing authority to the extent of the liability discharged or to the extent of the liability of the dealer for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent objects to it on the ground that the sum demanded or any part thereof is not due by him to the dealer or that he does not hold any money for or on account of the dealer, then nothing contained in this section shall be deemed to require such person to pay the sum demanded or any part thereof, to the assessing authority.

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1. Inserted by Act 9 of 1964.

(6) Any amount which a person is required to pay to the assessing authority or for which he is personally liable to the assessing authority under this section shall, if it remains unpaid, be a charge on the properties of the said person and may be recovered as if it were an arrear of land revenue.

Explanation.—For the purposes of this section, the amount due to a dealer or money held for or on account of a dealer by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such dealer to such person and as may be lawfully subsisting.

15. *Tax payable on transfer of business.*—(1) When the ownership of the business of a dealer liable to pay the tax, or penalty is entirely transferred, the transferer and the transferee shall jointly and severally be liable to pay any tax or penalty payable in respect of such business and remaining unpaid at the time of transfer.

[1][(2) When a firm liable to pay the tax, or penalty is dissolved the assessment of the tax and imposition of penalty shall be made as if no dissolution of the firm had taken place, and every person who was at the time of dissolution a partner of the firm and the legal representative of any such person who is deceased, shall be jointly and severally liable to pay the tax or penalty assessed or imposed.

(3) When an undivided Hindu family or Aliyasanthana family liable to pay the tax or penalty is partitioned, the assessment of the tax and the imposition of penalty shall be made as if no partition of the family had taken place, and every person who was a member of the family before the partition shall be jointly and severally liable to pay the tax or penalty assessed or imposed.]

16. *Assessment of legal representatives.*—Where a dealer dies, his executor, administrator or other legal representative shall be deemed to be the dealer for the purposes of this Act and the provisions of this Act shall apply to him in respect of the business of the said deceased dealer, provided that, in respect of any tax or fee assessed as payable by any such dealer or any tax or fee which would have been payable by him under this Act if he had not died, the executor, administrator or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.

[2][17. *Composition of tax or licence fee.*—(1) Subject to such conditions and in such circumstances as may be prescribed the

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 32 of 1958.

prescribed authority, or when no authority is prescribed, the assessing authority of the area, may, if a dealer, other than a dealer liable to tax under clause (*a*) of sub-section (3) of section 5 [1][or a dealer referred to in sub-section (2) of section 10,] so elects, accept in lieu of the amount of tax or licence fee payable by him, during any year, under this Act, by way of composition, an amount at the following rates, namely :—

Total turnover	Rate
[2][(i) [3] * * * * * * *	
(ii) Where the total turnover is not less than ten thousand rupees, but is less than fifteen thousand rupees.	Fifteen rupees per mensem.
(iii) Where the total turnover is not less than fifteen thousand rupees, but is less than twenty thousand rupees.	Twenty Rupees per mensem.
(iv) Where the total turnover is not less than twenty thousand rupees, but not more than twenty-five thousand rupees.	Twenty-five rupees per mensem.]

(2) Any dealer who estimates his total turnover for a year to be not more than twenty-five thousand rupees may apply to the prescribed authority or the assessing authority to be permitted to pay the amount under this section and on being so permitted, he shall pay the amount due in advance during the year in monthly or prescribed instalments and for that purpose shall submit such returns in such manner as may be prescribed.

(3) The amount paid under sub-section (2) shall be subject to such adjustment as may be prescribed on the completion of final assessment in the manner prescribed.

Explanation.—For the purposes of this section, "total turnover" means aggregate turnover in respect of all goods of a dealer at all places of business in the State, whether or not the whole or any portion of such turnover is liable to tax.]

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1. Inserted by Act 9 of 1964.
2. Table Substituted by Act 3 of 1966
3. Item (i) omitted by Act 7 of 1966.

18. *Collection of tax by registered dealer.*—(1) No person who is not a registered dealer shall collect any amount by way of tax [1][or purporting to be by way of tax] under this Act; nor shall a registered dealer make any such collection except in accordance with such conditions and restrictions, if any, as may be prescribed:

Provided that the amount which may be collected by way of tax [1][or purporting to be by way of tax] on the sale or purchase of the sale or purchase of goods under this Act:

[2][ ] [3][* * * * *]

[ ] [3][* * * * *]

(2) Notwithstanding anything contained in sub-section (1) a dealer who has been permitted to pay any amount by way of composition under section 17, shall not collect any amount by way of tax [1][or purporting to be by way of tax] on the sale or purchase of goods if made during the period to which such composition applies:

[4][* * * * *]

[5][(3) [6][* * [6]* * *]

[7][(4) [2][* * * * *]

[8][18-A. *Penalty for collection in contravention of section* 18.—If any person collects any amount by way of tax or purporting to be by way of tax in contravention of the provisions of sub-section (1) or sub-section (2) of section 18, or if any registered dealer or licensed dealer collects any amount by way of tax or purporting to be by way of tax in excess of the amount payable by him, whether or not any tax is due from such person or dealer under this Act in respect of the transaction in which he collects such amount, the assessing authority may, after giving such person or dealer a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one and a half times such amount:

Provided that no proceedings under this section shall be commenced after a period of five years from the expiry of the year in which the amount has been collected:

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1. Inserted by Act 7 of 1966.
2. Inserted by Act 9 of 1958.
3. Second and Third provisos omitted by Act 7 of 1966.
4. Proviso omitted by Act 32 of 1958.
5. Substituted by Act 29 of 1961 with retrospective effect.
6. Sub-sections (3) and (4) omitted by Act 3 of 1966.
7. Inserted by Act 29 of 1961 and omitted by Act 3 of 1966.
8. Inserted by Act 7 of 1966 with retrospective effect.

Provided further that no prosecution for an offence under section 29 shall be instituted in respect of the same facts on which a penalty has been imposed under this section.][1]

19. *State Government entitled to collect tax as registered dealers.*—Notwithstanding anything contained in this Act the Government of Mysore shall, in respect of any sale of goods effected by them, be entitled to collect by way of tax any amount which a registered dealer effecting such sale would have been entitled to collect by way of tax under this Act.

CHAPTER VI.

Appeal and Revision

[2][20. *Appeals.*—(1) Any person objecting to an order affecting him passed under the provisions of this Act by,—

(i) an Assistant Commercial Tax Officer, may appeal to the Assistant Commissioner; and

(ii) a Commercial Tax Officer, may appeal to the Deputy Commissioner.

(2) The appeal shall be preferred within thirty days,—

(i) in respect of an order of assessment, from the date on which the notice of assessment was servel on the appellant; and

(ii) in respect of any other order, from the date on which the order was communicated to the appeallant:

Provided that the appellate authority may admit an appeal preferred after the period of thirty days aforesaid if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) No appeal against an order of assessment shall be entertained by the appellate authority unless it is accompained by satisfactory proof of the payment of the tax assessed and penalty, if any, due:

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2. Substituted by Act 9 of 1964.

Provided that the authority may, if it thinks fit, for reasons to be recorded in writing, entertain an appeal against such order,

(a) without payment of the tax and penalty, if any, but on furnishing security to its satisfaction in such form and in such manner as may be prescribed ; or

(b) on proof of payment of such smaller sum, with or without security, in the like manner, for such amount of the tax and penalty which remains unpaid, as it may direct.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority may think fit.

(6) Every order passed on appeal under this section shall subject to the provisions of sections 21 to 24, be final.]

[1][21. *Revisional powers of Assistant Commissioners and Deputy Commissioners.*—The Assistant Commissioner may of his own motion call for and examine the record of any order passed or proceeding recorded under the provisions of this Act by an Assistant Commercial Tax officer subordinate to him and against which no appeal has been preferred to him under section 20, for the purpose of satisfying himself as to the legality or properiety of such order or as to the regularity of such proceeding and may pass such order with respect thereto as he thinks fit.

(2) The Deputy Commissioner may of his own motion call for and examine the record of any order passed or proceeding recorded under the provisions of this Act by a Commercial Tax Officer subordinate to him and against which no appeal has been preferred to him under section 20, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding and pass such order with respect thereto as he thinks fit.

(3) In relation to an order of assessment passed under this Act, the power under sub-sections (1) and (2) shall be exercised only within a period of four years from the date on which the order was passed.

(4) No order shall be passed under sub-section (1) or sub-section (2) enhancing any assessment, unless an opportunity has been given to the assessee to show cause against the proposed enhancement.]

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1. Substituted by Act 9 of 1964.

22. *Appeal to the Appellate Tribunal.*—[1][(1) any officer empowered by the State Government in this behalf or any other person objecting to an order passed by the Assistant Commissioner or the Deputy Commissioner under [2][section 12A or section 20 or Section 21] may appeal to the Appellate Tribunal within a period of sixty days from the date on which the order was communicated to him.]

(2) The Appellate Tribunal may admit an appeal preferred after the period of sixty days referred to in sub-section (1) if it is satisfied that the [3][appellant] had sufficient cause for not preferring the appeal within that period.

[3][(2-A) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, as the case may be, on receipt of notice that an appeal against the order of the Assistant Commissioner or the Deputy Commissioner has been preferred under sub-section (1) by the other party, may, notwithstanding that he has not appealed against such order or any part thereof file within thirty days of the receipt of the notice, a memorandum of cross-objections verified in the prescribed manner, against any part of the order of the Assistant Commissioner or the Deputy Commissioner, as the case may be, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1).]

(3) The appeal [3][or the memorandum of cross-objections] shall be in the prescribed form, shall be verified in the prescribed manner, and [3][in the case of an appeal preferred by any person other than an officer empowered by the State Government under sub-section (1),] shall be accompanied by a fee equal to two per cent of the amount of assessment objected to, provided that the sum payable shall in no case be less than twenty rupees or more than two hundred rupees.

(4) The Appellate Tribunal shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such orders thereon as it thinks fit:

Povided that, if the appeal involves a question of law on which the Appellate Tribunal has previously given its decision in another appeal and either a revision petition in the High Court against such decision or an appeal in the Supreme Court against the order of the High Court thereon is pending, the Appellate Tribunal may defer the hearings of the appeal before it till such revision petition in the High Court or the appeal in the Supreme Court is disposed of.

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 3 of 1966.
3. Inserted by Act 9 of 1964.

(5) Notwithstanding that an appeal has been preferred under sub-section (1), tax shall be paid in accordance with the assessment made in the case:

Provided that the Appellate Tribunal may, in its discretion, give such directions as it thinks fit, in regard to the payment of tax, if the appellant furnishes sufficient security to its satisfaction in such form and manner as may be prescribed:

Provided further that if as a result of the appeal any change becomes necessary in such assessment, the Appellate Tribunal may authorise the assessing authority to amend the assessment, and the assessing authority shall amend the assessment accordingly and there upon, the amount overpaid by the assessee shall be refunded to him, without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(6) (*a*) The Appellate Tribunal may, on the application [1][either of the appellant or of the respondent,] review any order passed by it under sub-section (1) on the basis of facts which were not before it when it passed the order:

Provided that no such application shall be prefered more than once in respect of the same order.

(*b*) The application for review shall be preferred in the prescribed manner within six months from the date on which the order to which the application relates was communicated to the applicant; and where the application is preferred by [1][any person other than an officer empowered by the State Government under sub-section (1)], it shall be accompanied by a fee equal to that which had been paid in respect of the appeal:

Provided that if the application for review is preferred within ninety days from the date on which the order to which the application relates is communicated to the applicant, the application shall be accompanied by half the fee which had been paid in respect of the appeal.

(7) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have power to award costs to either of the parties to the appeal or review.

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1. Substituted by Act 9 of 1964.

(8) Every order passed by the Appellate Tribunal under sub-section (4) or (6) shall be communicated to [1][the appellant, the respondent, the authority on whose order the appeal was preferred, the Deputy Commissioner concerned if he is not such authority, and the Commissioner.]

(9) Every order passed by the Appellate Tribunal under sub-section (4) shall, subject to the provisions of sub-section (6) and section 23, be final and every order passed by it under sub-section (6) shall, subject to the provisions of section 23, be final.

[1][22A. *Revision by the Commissioner of orders prejudicial to revenue.*—(1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer subordinate to him is erroneous in so far as it is prejudicial to the interests of the revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment and directing a fresh assessment.

(2) [2][The power under sub-section (1) shall be exercisable only within a period of] of four years from the date of the order sought to be revised [2][was passed].

Explanation.—In computing the period of limitation for the purposes of sub-section (2), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.]

23. *Revision by High Court.*—(1) Within sixty days from the date on which an order under sub-section (4) or (6) of section 22 was communicated to him, [3][the appellant or the respondent] may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law:

Provided that the High Court may admit a petition preferred after the period of sixty days aforesaid if it is satisfied that the petitioner had sufficient cause for not preferring the petition within that period.

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1. Inserted by Act 9 of 1964.
2. Substituted by Act 16 of 1967.
3. Substituted by Act 9 of 1964.

(2) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, when it is preferred by [1][any person other than an officer empowered by the State Government under sub-section (1) of section 22], be accompanied by a fee of one hundred rupees.

(3) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering it may dismiss the petition summarily :

Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(4) (*a*) If the High Court does not dismiss the petition summarily it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm, or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(*b*) where the High Court remits the matter to the Appellate Tribunal under clause (*a*) with its opinion on questions of law raised, the latter shall amend the order passed by it in conformity with such opinion.

(5) Before passing an order under sub-section (4), the High Court may, if it considers necessary so to do remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the assessment made in the case :

Provided that if as a result of the petition any change becomes necessary in such assessment, the High Court may authorise the assessing authority to amend the assessment and the assessing authority shall amend the assessment accordingly and thereupon the amount overpaid by the assessee shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

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1. Substituted by Act 9 of 1964.

(7) (a) The High Court may, on the application [1][of either party to the petition], review any order passed by it under sub-section (4) on the basis of facts which were not before it when it passed the order.

(*b*) The application for review shall be preferred within such time, and in such manner as may be prescribed, and shall, where it is preferred by [1][any person other than an officer empowered by the State Government under sub-section (1) of section 22,] be accompanied by a fee of one hundred rupees.

(8) In respect of every petition preferred under sub-section (1) or (7), the costs shall be in the discretion of the High Court.

24. *Appeal to High Court.*—(1) Any assessee objecting to an order relating to assessment [[2]by the Commissioner under section 12-A or under section 22-A] may appeal to the High Court within sixty days from the date on which the order was communicated to him:

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid if it is satisfied that the assessee had sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in the prescribed form, shall be verified in the prescribed manner, and shall be accompanied by a fee of one hundred rupees.

(3) The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such order thereon as it thinks fit.

(4) The provisions of sub-sections (6) to (8) of section 23, shall apply in relation to appeals preferred under sub-section (1) as they apply in relation to petitions preferred under sub-section (1) of section 23.

25. *Petitions, applications and appeals to High Court to be heard by a bench of not less than two Judges.*—Every petition, application or appeal preferred to the High Court under section 23 or 24 shall be heard by a bench of not less than two judges, and in respect of such petition, application or appeal, the provisions of section 98 of the Code of Civil Procedure, 1908 (Central Act V of 1908) shall so far as may be apply.

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1. Substituted by Act 9 of 1964.
2. Substituted by Act 9 of 1964 and 16 of 1967.

CHAPTER VII

MISCELLANEOUS.

26. *Accounts to be maintained by dealers.*—(1) [1][Every person registered or licensed under this Act and every dealer or other person liable to get himself registered under this Act shall keep and maintain true and correct accounts and such other records as may be prescribed] in Kannada or English or Hindi or Marathi or in such other language as the State Government may, by notification, specify, [1][relating to his busniess, showing such particulars as may prescribed, and such particulars may be different for different classes of persons or dealers]; and in case the accounts maintained in the ordinary course, do not show the same in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf:

[2][* * * * *]

(2) The Commissioner may, subject to such conditions or restrictions as may be prescribed in this behalf, by notice in writing direct any dealer or by notifications direct any class of dealers to maintain accounts and records showing the detailes regarding their purchases, sales or deliveries of goods in such form in such manner as may be specified by him.

27. *Certain dealers to issue bill or cash memorandum.*—(1) Every dealer whose turnover exceeds Rs. 20,000 in any year shall, in respect of all goods sold by him, issue a bill or cash memorandum to the purchaser, signed and dated by him or his servant, manager, duly signed and dated and preserve it for a period of not less than five years from such date.

(2) Any person who contravenes the provisions of sub-section (1), shall, on conviction, be punishable with a fine equal to double the amount of the bill or the cash memorandum in respect of which such contravention has occurred or fifty rupees whichever is less.

28. *Powers to order production of accounts and powers of entry, inspection and seizure.*—(1) Any officer empowered by the State Government in this behalf, may for the purpose of this Act, require any dealer carrying on business in any kind of goods to produce before him the accounts and other documens, and to furnish

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1. Substituted by Act 9 of 1964.
2. Proviso omitted by Act 7 of 1966.

any information relating to the stocks of goods of, or purchases, sales and deliveries of goods by the dealer and also any other information relating to his business.

[1][(2) (i) All accounts and registers maintained by dealers in the ordinary course of their business and documents relating to the stock of goods of, or puurchases, sales and deliveries of goods by any dealer, the goods in their possession and their offices, shops, godowns, vessels, receptacles or vehicles, shall be open to inspection at all reasonable times by such officers as may be authorised in this behalf.

(ii) For the purpose of inspection referred to in clause (i), any such officer shall have power to enter and search any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place where such officer has reason to believe that the dealer keeps, or is for the time being keeping, any accounts, registers or documents of his business:

Provided that no residential accommodation (not being a place of business-*cum*-residence) shall be entered into and searched by such officer except on the authority of a search warrant issued by a Magistrate having jurisdiction over he earea, and all searches under this sub-section shall, so far as may be, be made in accordance with the provisions of the Code of Criminal Procedure, 1898 (Central Act 5 of 1898).

(3) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax, fee or other amount due from him under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, records or other documents of the dealer as he may consider necessary, and shall give the dealer a receipt for the same. The accounts, registers, records and documents, so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

Provided that such accounts, registers records and documents shall not be retained for more than thirty days at a time except with the permission of the next higher authority."

[2][(4) * * * * *]

(5) It shall be open to the State Government to authorise different classes of officers for the purpose of taking action under [3][sub-section (1), or sub-section (2)].

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1. Sub-sections (2) and (3) substituted by Act 16 of 1967.
2. Sub-section (4) omitted by Act 16 of 1967.
3. Substituted by Act 16 of 1967.

[1][28-A. *Establishment of check post or barrier and inspection of goods while in transit.*—(1) If the State Government consider it necessary that with a view to prevent or check evasion of tax under this Act in any place or places in the State, it is necessary so to do, they may, by notification, direct the establishment of a check post or the erection of a barrier, or both, at such place or places as may be notified.

(2) The owner or person in charge of a goods vehicle or boat shall carry with him a goods vehicle record, a trip sheet or a log book as the case may be, and a bill of sale or a delivery note containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle or boat, as the case may be, and produce the same before any officer in charge of check post or barrier or any other officer as may be empowered by the State Government in this behalf. The owner or person in charge of a goods vehicle or boat entering the State limits or leaving the State limits shall also give a declaration containing such particulars, as may be prescribed, of the goods carried in the goods vehicle or boat, as the case may be, before the officer-in-charge of the check post or barrier or the officer empowered as aforesaid and give one copy of the declaration to such officer and keep one copy with him.

(3) At every check post or barrier, or at any other place when so required by any officer empowered by the State Government in this behalf, the driver or any other person in charge of a goods vehicle or boat shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may be required by the officer-in-charge of the check post or barrier or the officer empowered as aforesaid, to examine the contents in the vehicle or boat and inspect all records relating to the goods carried, which are in the possession of such driver or other person in charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle or boat.

[2]["*Explanation.*—For purposes of sub-sections (2) and (3), the officer-in-charge of check-post or barrier shall be an officer not below the rank of an Assistant Commercial Tax Officer and not higher in rank than an Assistant Commissioner of Commercial taxes.

(4) The officer-in-charge of a check-post or barrier or any other officer not below the rank of an Assistant Commercial Tax Officer and not higher in rank than an Assistant Commissioner of

1. Inserted by Act 28 of 1961.
2. Inserted by Act 27 of 1969.

Commercial Taxes may, in respect of any contravention of or non-compliance with the provisions of sub-section (2) or (3) and for which sufficient cause is not furnished, levy a penalty not exceeding the limits specified in sub-scetion (5). The aforesaid officer may also levy penalty where the declaration made under sub-section (2) is false in respect of the materials furnished therein or where the particulars furnished in the records do not tally with the goods actually being transported or are found to be not relating to such goods :

Provided that before levying any penalty under this sub-section, the officer shall give the person in charge of the goods vehicle or boat a reasonable opportunity of being heard.

(5) The penalty leviable under sub-section (4) shall not exceed,—

(a) in the case of goods specified in the Second, Third or Fourth Schedule, the amount of tax leviable in respect of the goods under transport ; and

(b) in the case of any other goods, double the amount of tax leviable in respect of the goods under transport :

Provided that in the case of goods,—

(i) not liable to tax under this Act, or

(ii) referred to in clause (a), if their owner or the person in-charge of the goods vehicle or boat produces proof to show that the goods in question have already suffered the single point tax under this Act,

no penalty shall be leviable.

(6) Where the penalty levied is not paid, the officer levying the penalty shall have power to take possession of so much of the goods as in his opinion would be sufficient to meet the amount of penalty levied and retain the same with him until the penalty is paid or for ten days, whichever is earlier. After the expiry of the period of ten days if the penalty is not paid, the officer shall dispose of the goods in public auction and adjust the sale proceeds towards the penalty. If the sale proceeds are more than the penalty, the excess amount shall, after deducting the charges incurred by the State, be refunded in the manner prescribed :

Provided that in the case of perishable goods, the officer may dispose of the same before the expiry of the period of ten days if in his opinion such disposal in necessary.

(7) (a) The person aggrieved by the levy of penalty under this section may, in cases not covered by section 20, appeal,—

(i) to the Deputy Commissioner of Commercial Taxes of the area, if the levy is made by an Assistant Commissioner of Commercial Taxes ; and

(ii) in other cases to the Assistant Commissioner of Commercial Taxes of the concerned.

(b) Such appeal shall be dealt with as if it were an appeal filed under section 20 and the provisions of that section shall apply to such appeal accordingly.][2]

[1][28-B. *Forwarding agency, etc., to submit returns.*—Every clearing or forwarding house or agency, transporting agency, shipping agency, shipping out-agency or steamer agency in the State shall submit to the assessing authority of the area such return as may be prescribed of all goods cleared, forwarded, transported or shipped by it. The assessing authority concerned shall have the power to call for and examine the books of accounts or other documents in the possession of such agency with a view to verify the correctness of the return submitted.]

[1][28C. *Submission of certain records, by owners, etc., of goods vehicles and boats.*—The owner or other person in-charge of a goods vehicle or boat shall in respect of the goods under transport submit to the Commercial Tax Officer having jurisdiction over the area in which the goods are delivered, the documents referred to in sub-section (2) of section 28A, or copies thereof within such time as may be prescribed.

29. *Offences and penalties.*—(1) Any person who—

(*a*) being an assessee under this Act, fails to submit a return as required by the provisions of this Act, or the rules made thereunder, or

[2][(*b*) being a person obliged to register himself under section 10 does not get himself registered ; or

[2][(*bb*) dishonestly objects to or fails to comply with the terms of a notice issued to him under sub-section (1) of section 14 ; or]

1. Substituted by Act 27 of 1969.
2. Explanation and sub-sections (4) to (7) inserted by Act 27 of 1969.

(*c*) [3][* * * * *]

(*d*) fails to pay within the time allowed any tax assessed on him or any penalty levied on him under this Act [* * *] [or][4]

[4][(*e*) fails to keep true and complete accounts ;]

shall, on conviction by a Magistrate, not below the rank of a Second Class Magistrate, be liable to a fine which may extend to two hundred rupees.

(2) Any person who—

(*a*) wilfully submits an untrue return, or not being already an assessee under this Act, fails to submit a return as required by the provisions of this Act or the rules made thereunder, or

[1][(*aa*) carries on business as a dealer without furnishing the security demanded under sub-section (4) of section 10-A ; or]

[2][(*b*) prevents or obstructs inspection, entry, search or seizure by an officer empowered under his Act ; or

(*bb*) prevents or obstructs inspection of any vehicle or boat or goods transported otherwise or seizure of goods by an officer-in-charge of a check post or barrier or any officer empowered under this Act ; or]

(*c*) fraudulently evades the payment of any tax assessed on him, or other amount due from him under this Act, or

[3][(*cc*) collects any amount by way of tax or purporting to be by way of tax in contravention of sub-section (1) or sub-section (2) of section 18 ; or

(*d*) wilfully acts in contravention of any of the provisions of this Act, or the rules made thereunder, shall, on conviction, in addition to the recovery of any tax or other amount that may be due from him, be punishable with simple imprisonment which may extend to six months or with fine not exceeding two thousand rupees or with both ; and when the offence is a continuing one, with a daily fine not exceeding one hundred rupees during the period of the continuance of the offence.

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1. Section 28C inserted by Act 27 of 1969.
2. Substituted by Act 9 of 1964.
3. Clause (c) Omitted by Act 7 of 1966.
4. Added by Act 9 of 1964.

30. *Cognizance of offences.*—(1) No court shall take cognizance of any offence punishable under sub-section (2) of section 29 except with the previous sanction of the Commissioner and no court inferior to that of a Magistrate of the First Class shall try any such offence.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, all offences punishable under sub-section (2) of section 29 shall be cognizable and bailable.

[4][30A. *Summary disposal of certain cases.*—(1) A court taking cognizance of an offence under sub-section (1) of section 29 shall state upon the summons to be served on the accused person that he may, by a specified date prior to the hearing of the charge plead guilty to the charge by registered letter and remit to the court such sum not exceeding two hundred rupees as the court may specify.

(2) Where an accused person pleads guilty and remits the sum specified under sub-section (1), the court may proceed to hear and dispose of the case in the absence of the accused, whether or not the prosecutor is also absent in like manner as if both parties had appeared and the accused had pleaded guilty."

31. *Composition of Offences.*—The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence punishable under this Act, by way of composition of such offence—

(*a*) where the offence consists of the failure to pay or the evasion of, any tax or other amount recoverable under this Act in addition to the tax or amount so recoverable, a sum of money not exceeding one thousand rupees or double the amount of the tax or amount recoverable, whichever is greater, and

(*b*) in other cases, a sum of money not exceeding one thousand rupees.

[1][31-A. *Offences by Companies.*—(1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

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1. Inserted by Act 9 of 1964.
2. Substituted by Act 9 of 1964.
3. Inserted by Act 7 of 1966.
4. Inserted by Act 31 of 1969.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, managing agent or any other officer of the company, such director, manager, managing agent or such other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) " company " means any body corporate and includes a firm or other association of individuals ; and

(*b*) " director " in relation to a firm means a partner in the firm.

32. *Assessment, etc., not to be questioned in prosecution.*— The validity of the assessment of any tax or of the levy of any fee or other amount, made under this Act, or the liability of any person to pay any tax, fee or other amount so assessed or levied shall not be questioned in any criminal court in any prosecution or other proceeding whether under this Act or otherwise.

33. *Bar of certain proceedings.*—(1) No suit, prosecution or other proceeding shall lie against any officer or servant of the State Government, for any act done or purporting to be done under this Act without the previous sanction of the State Government.

(2) No officer or servant of the State Government shall be liable in respect of any such act in any civil or criminal proceeding if the act was done in good faith in the course of the execution of duties or the discharge of the functions imposed by or under the Act.

34. *Limitation for certain suits and prosecutions.*—No suit shall be instituted against the State Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the State Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

35. *Courts not to set aside or modify assessments except as provided in this Act.*—No suit or other proceeding shall except as expressly provided in htis Act, be instituted in any Court to the aside or modify any assessment made under this Act.

36. *Appearance before any Authority in proceedings.*—Any person who is entitled to appear before any authority other than the High Court in connection with any proceedings under this Act, may be represented before such authority—

(*a*) by his relative or a person regularly employed by him if such relative or person is duly authorised by him in writing in this behalf;

(*b*) by a legal practitioner; or

[1][(*c*) subject to such conditions as may be prescribed, by an Accountant or by a person enrolled in the prescribed manner as a Sales Tax Practitioner by the Commissioner, and duly authorised by the person whom he represents.

[1]37. *Disclosure of information respecting assessees.*—(1) (*a*) The Commissioner may furnish or cause to be furnished to—

(i) any officer, authority or body performing any functions under any law relating to the imposition of any tax, duty, cess or fee; or

(ii) such officer, authority or body performing any functions under any other law as the State Government, if in its opinion it is necessary so to do in the public interest, specify by notification in this behalf;

any such information relating to any assessee in respect of any assessment made under this Act as may, in the opinion of the Commissioner, be necessary for the purpose of enabling the officer, authority or body to perform his or its functions under that law.

(*b*) Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.

(2) Notwithstanding anything contained in sub-section (1) or any other law for the time being in force, the State Government may, having regard to the practices and usages customary or any

1. Substituted by Act 16 of 1967.

other relevant factors, by order notified in the official Gazette, direct that no information or document shall be furnished or produced by a public servant in respect of such matters relating to such classes of assessees or except to such authorities as may be specified in the order.

38. *Power to make Rules.*—(1) The State Government may, subject to the condition of previous publication, make rules, by notification to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the assessment to tax under this Act of business which are discontinued or the ownership of which has changed;

(*c*) the assessment to tax under this Act of business owned by minors and other incapacitated persons or by persons residing outside the State of Mysore;

(*d*) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of [1][the Court of Wards, the Administrator-General, the Official Trustee or] any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court;

[1][(*d*-1) the administration of the checkposts set up and the barriers erected under this Act and the regulation of work therein;

(*d*-2) the disposal of goods confiscated under this Act and the proceeds thereof;]

(*e*) the assessment to tax under this Act of any turnover which has escaped assessment, [2][* * * *]

(*f*) the rectification of mistakes apparent from the record of any assessment, appeal or revision and the period within which such rectification may be made;

(*g*) compelling the submission of returns and the production of documents and enforcing the attendance of persons and examining them on oath or affirmation:

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1. Inserted by Act 9 of 1964.
2. Certain words omitted by Act 31 of 1958.

[3][(*g*-1) specifying the classes of dealers who need not furnish returns under section 12.]

(*h*) securing that returns furnished or accounts or documents produced or evidence of any kind given under this Act before any assessing authority or on appeal or revision from any decision of such authority are kept confidential.

(*i*) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(*j*) the term of office, and the conditions of service of the members of the Appellate Tribunal;

[4][(j-1) the fees payable for the grant of duplicate certificates of registration or licences or copies of such certificates and licences or of any other document;]

[1][(j-2) the maintenance of purchase bills or accounts of purchases and sales by dealers and the time for which they should be preserved;

(*j*-3) the issue of delivery notes or way-bills in respect of goods delivered or transferred to retail dealers in pursuance of sales effected to them, the form and manner of their issue and the time for which they should be preserved;

(*j*-4) the extent of liability of commission agent, broker, *del credere* agent, auction or any other mercantile agent, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;]

[1][(*j*-5) the qualifications and disqualifications of Sales-Tax Practitioners, the procedure for their enrolment, the fees payable for enrolment and the fees payable for annual renewal of such enrolment;

(*k*) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act;

(*l*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

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1. Inserted by Act 31 of 1958.
2. Certain words omitted by Act 31 of 1958.
3. Inserted by Act 32 of 1958.
4. Inserted by Act 31 of 1958.

(3) In making a rule under sub-section (1) or sub-section (2), the Government may provide that a person guilty of a breach thereof shall, on conviction by a Magistrate of the first class, be punishable with fine which may extend to one thousand rupees and, where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

[2][(4) Any rule under this Act may be made to have effect restrospectively and when any such rule is made a statement specifying the reasons for making such a rule shall be laid before both Houses of the State Legislature along with the rule under section 39. All rules made under this Act, shall, subject to any modification made under section 39, have effect as if enacted in this Act.]

[3][39. *Laying of rules and notification before the State Legislature.*—Every rule made under this Act and every notification issued under section 8-A shall be laid as soon as may be after it is published before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the sessions immediately following, both House agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

40. *Repeal and savings.*—(1) The Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Madras Tobacco (Taxation on Sales and Registration) Act, 1953 (Madras Act IV of 1953), the Madras Medium Cotton Mill Cloth (Sales-tax) Act, 1954 (Madras Act XLI of 1954) and section 21-A of the Madras Prohibition Act, 1937 (Madras Act X of 1937), as in force the Madras Area, the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), as in force in the Mysore Area, the Hyderabad General Sales Tax Act, 1950 in the Mysore Area, the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950), as in force in the Hyderabad Area, the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953) and the Bombay Sales of Intoxicants Taxation Act, 1953 (Bombay Area, the Coorg Sales of Tyres Taxation Act, 1953 (Coorg Act VIII of 1953)

1. Added by Act 9 of 1964.
2. Substituted by Act 16 of 1967.

and the Coorg Tobacco (Taxation of Sales and Registration) Act, 1953 (Coorg Act IX of 1953), are hereby repealed :—

Provided that such repeal shall not affect—

(*a*) the previous operation of the said enactment or anything duly done or suffered thereunder ; or

(*b*) any right, privilege, obligation or liability acquired, accrued or incurred under the said enactments ; or

(*c*) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said enactments ; or

(*d*) any investigation, legal proceeding (including assessment proceeding) or remedy in respect of any such right, privilege, obligation, liability, forefeiture or punishment as aforesaid ;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed.

[1][(1-A) Notwithstanding anything contained in sub-section (1), nothing contained in any of the repealed enactments or the rules made thereunder limiting the time within which any action may be taken or any order, assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, lirection or order made under any provision of the relevant repealed enactment or any judgment, decree or order made by the Supreme Court, the High Court or any other Court whether before or after the commencement of this Act.]

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the preceding proviso, to the said sub-section (1), the State Government may, by notification, make such provision as appears to it to be necessary or expedient—

(*a*) for making omissions from, addition to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments ;

(*b*) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or any rules, notifications, or orders issued thereunder as may be mentioned in the said notification.

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1. Inserted by Act 30 of 1962 with retrospective effect.

[2][(3) Notwithstanding anything contained in sub-section (1), during the period between the first day of November, 1956, and the date of commencement of this Act, where in respect of any goods—

(i) a single point sale or purchase tax was leviable under more than one of the repealed enactments; or

(ii) single point sale or purchase tax was leviable under any repealed enactment and also a multi-point sale or purchase tax was leviable under any other repealed enactment,

and the State Government is of opinion that in order to avoid hardship it is necessary to do so, it may, by notification, and subject to such restrictions and conditions as may be specified in such notification, make an exemption or reduction in rate, of any tax payable under any of the repealed enactments on the sale or purchase at specified point or points in the series of sales by successive dealers of any specifiel class of goods:

Provided that any amount collected by way of tax at one or more points in the series of sales shall be payable to the State Government by the dealer making the collection as if it were a tax payable by such dealer under the relevant repealed enactment.]

41. *Power to remove difficulties.*—(1) If any difficulty arises in giving effect to the provisions of this Act in consequence of the transition to the said provisions from the provisions of the Acts in force immediately before the commencement of this Act, the State Government may, by notification in the official Gazette, make such provisions as appear to it be necessary or expedient for removing the difficulty.

(2) If any difficulty arises in giving effect to the provisions of this Act (otherwise than in relation to the transition from the provisions of the Acts in force before the commencement of this Act) the State Government may, by notification, make such provisions, not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

42. *Provisions relating to Appellate Tribunal.*—(1) All appeals and proceedings transferred to, or instituted before the Mysore Board of Revenue consequent on the specification of that authority by notification in the official Gazette under section 122 of the States Reorganisations Act, 1956, as the authority competent to

2. Added by Act 32 of 1958.

exercise the functions of the Appellate Tribunal and Tribunal, respectively, under the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950) and the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953), and pending before the said Board of Revenue shall stand transferred to the Appellate Tribunal constituted under this Act and the aforesaid notification in so far as it relates to such specification of the Mysore Board of Revenue shall stand repealed.

(2) Notwithstanding anything contained in any law, any appeal or other proceeding to be preferred to any Appellate Tribunal or Tribunal under any enactment referred to in sub-section (1) shall be preferred to the Appellate Tribunal constituted under this Act.

(3) Notwithstanding anything contained in the enactments referred to in sub-section (1), the provisions of sections 22, 23 and 25 of this Act shall be applicable to all appeals and other proceedings transferred to or preferred to the Appellate Tribunal.

43. *Assessments to tax or taxes in certain cases.*—(1) Notwithstanding anything contained in [1section 40] orgin any enactment repealed by that section, any person assessed or assessable to tax or taxes under any of the said enactments during the assessment year prior to the commencement of this Act, shall be liable to tax or taxes on his total turnover or turnovers during the period of the assessment year ending on the date of commencement of this Act, at the rate or rates specified in the said enactments whatever his total turnover or turnovers for the whole of the assessment year may be.

[1][(2) Notwithstanding anything contained in this Act any person assessble to tax or taxes under this Act during the period commencing on the date of commencement of this Act and ending on the date of commencement of the next assessment year in respect of such person, shall be liable to tax or taxes on his total turnover or turnovers during the said period at the rate or rates specified in this Act, whatever the total turnover or turnovers of such person for the whole of the assessment year may be.]

[2][(3) Notwithstanding anything contained in this Act, where in respect of the sale or purchase of any goods, the rate of tax (hereinafter referred to as the original rate) is revised, or no tax is payable, from any date during any year, the turnover of a dealer or other person during the period up to that date in that year shall be liable

1. Added by Act 12 of 1961.
2. Inserted by Act 30 of 1962 with retrospective effect.

to tax at the original rate, and his turnover during the period from that date till the end of that year shall be liable to tax at the revised rate, or shall not be liable to tax, as the case may be.]

[3][(4) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the first day of April 1966, is more than seven thousand rupees shall be regulated as follows, namely :—

(*a*) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to first April 1966 and shall not be liable to pay monthly instalments for the remaining months thereafter ;

(*b*) in the case of any other dealer, the turnover, during the period from the commencement of the year up to the first April 1966 shall be liable to tax and also licence fee, if any, and his turnover during the remaining period from the first April 1966 shall not be liable to tax and licence fee.

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3. Added by Act 16 of 1967.

FIRST SCHEDULE

xx xx xx xx

Omited by Act 31 of 1958)

SECOND SCHEDULE

Goods on the sale of which a single point tax is leviable on the first or earliest of successive dealers in the State under Section 5 (3) (*a*).

Sl. No.	*Description of the goods*	*Rate of tax*
1	2	3
	[1 to 7 omitted]	
	xx xx xx xx)	
8.	2(All hosiery goods not made wholly of cotton except hosiery cloth in length.	4[Nine and a half per cent.
9.	All hosiery goods made wholly of cotton except hosiery cloth in length.	4[Three and a half per cent).
10.	3(All arms including guns, rifles, revolvers, pistols and ammunition for the same.	4(Eleven per cent)
5[11.	* * * *]	
12.	Bricks and tiles except country bricks and country tiles.	4(Three and a half per cent).
13.	Marble slabs and articles made of marble ..	4(Three and a half per cent).
14.	Bicycles, tandum cycles 2(cycle combination and parts and accessories and tyres and tubes thereof).	4(Five and a half per cent).
15.	3(Dictaphone and other similar appartus for recording sound and spare parts thereof.	4(Eleven per cent)
16.	Foamed rubber sheets, cushions, pillows mattresses and other like articles.	4(Eleven per cent)

1. Serial Nos. 1 to 7 Omitted by Act 7 of 1966.
2. Substituted by Act 31 of 1958.
3. Substituted by Act 9 of 1964.
4. Substituted by Act 7 of 1966.
5. Omitted by Act 16 of 1967.

SECOND SCHEDULE—(*contd.*)

Sl. No.	*Description of the goods*	*Rate of tax*
1	2	3
17.	1(Sound transmitting equipment including telephones and loudspeakers and spare parts thereof).	2(Eleven per cent)
18.	1(Typewriters, tabulating machines, calaculating machines, duplicating machines and Roneo machines and parts thereof).	2(Eleven per cent)
19.	Lifts whether operated by elerticity or hydraulic power.	2(Four and a half per cent).
20.	1(All machinery and spare parts and accessories thereof).	2(Six and a half per cent).
21.	Sanitary fittings of every description excluding pipes and fittings of stoneware, cement and iron.	2(Seven and a half per cent).
22.	X-Ray apparatus and equipment	2(Four and a half per cent).
23.	Aeroplanes, Rail coaches and their spare parts ..	2(Eight and a half per cent).
24.	3(All kinds of mill yarn (other than cotton yarn and sewing thread and filature silk).	2(One and a half per cent).
25.	Thown silk	2(Two per cent)
26	4[XX XX XX XX] ..	
27.to 34	5[XX XX XX XX] ..	
35.	Vanaspathi including Dalda, Pakav or other hydrogenated oils by whatever name called and refined oil.	2[Six and a half per cent).
36.	Cement	2[Six and a half per cent).
37.	Kerosine	6[Four per cent]

1. Substituted by Act 9 of 1964.
2. Substituted by Act 7 of 1966.
3. Substituted by Act 30 of 1962.
4. Omitted by the Act 3 of 1966.
5. Serial Nos. 27 to 34—Omitted by Act 7 of 1966.
6. Substituted by Act 3 of 1966.

SECOND SCHEDULE—*contd.*

Sl. No.	*Description of the goods*	*Rate of Tax*
1	2	3
38.	1[All liquor other than country liquor] ..	Twenty-five per cent.]
39.	Country liquor other than toddy	2Forty-fiveper cent].
40.	Opium, Ganja and Bhang	2[Twelve and a half per cent.]
41.	3[XX XX XX	XX
42.	4[XX XX XX	XX
43.	5[Coffee, that is to say, any one of the forms of coffee such as coffee beans, coffee seeds (raw or roasted), coffee powder, including French Coffee but not including coffee drink.	2[Five and a half per cent.]
44.	Tea	2[Five and a half per cent.]
45.	6[Omitted]	..
46.	7[Omitted]	..
47.	8[Groundnut oil, coconut oil, cotton seed oil and all other edible oils other than such oils falling under item 28 of the Fifth Schedule].	2[Two and a half per cent.
48.	Chemical fertilisers 8[bone-meal] and oil cake ..	2[Two per cent].
49.	Gold thread	2[Two and a half per cent.

1. Substituted by Act 29 of 1961 with retrospective effect.
2. Substituted by Act 7 of 1966 and again substituted by Act 17 of 1969 retrospectively from 1st April 1966.
3. Omitted by Act 3 of 1966.
4. Serial No. 42 Omitted by Act 7 of 1966.
5. Substituted by Act 9 of 1964.
6. Omitted by Act 30 of 1962.
7. Omitted by Act 31 of 1958.
8. Substituted by Act 31 of 1958.

SECOND SCHEDULE—*contd.*

Sl. No.	*Description of the goods*	*Rate of Tax*
1	2	3
50.	1[Omitted]	..
50-A.	4[News print]	2[Three and a half per cent].
51.	Readymade garments	2[Three and a half per cent].
52.	3[Refrigerators, air conditioning plants, component parts of refrigerators or air-conditioning plants].	2[Eleven per cent].
53.	Wireless reception instruments and apparatus and component parts thereof including all electrical valves, accumulators, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception.	2[Eleven per cent].
54.	5[Radio-gramophones including component parts of radio-gramophones.	2[Eleven per cent].
55.	Cinematographic, photographic and other cameras, projectors and enlargers, lenses and other parts of and accessories to such cameras, projectors and enlargers and films, plates, paper and cloth required for use therewith.	2[Eleven per cent].
56.	Binoculers, opera glasses and telescopes ..	2[Eleven per cent].
57.	Gramophones of every description (other than radiogramophones), records and needles, including accessories and spare parts thereof.	2[Eleven per cent].
58.	Upholstered furniture, tubular, iron and steel furniture of every description including safes and treasure chests.	2[Eleven per cent].

1. Omitted by Act 9 of 1964.
2. Substituted by Act 7 of 1966.
3. Added by Act 31 of 1958.
4. Inserted by Act 32 of 1958.
5. Substituted by Act 9 of 1964.

SECOND SCHEDULE—(*contd.*)

Sl. No.	*Description of the goods*	*Rate of Tax*
1	2	3
59.	Cigar and cigarette cases, lighters and holders of cigars and cigarettes.	1[Eleven per cent]
60.	Playing cards of every description	1[Seven and a half per cent].
61.	All electrical goods, instruments, apparatus and appliances including fans and lighting bulbs, 2[x x] and all other accessories.	1[Six and a half per cent
3[61A.	Electrical Earthenware and porcellain ..	1[Four and a half per per cent].
62.	Any pen, pencil or pen and pencil set, sold for ten rupees or more.	1[Five and a half per cent.]
63.	All clocks, time-pieces and watches and parts thereof.	1[Eleven per cent]
64.	Precious stones, namely, diamonds, emeralds, rubies, real pearles, saphires, whether they are sold loose or as forming part of anything which they are set.	1[Five and a half per cent.]
65.	Toilet articles, except toilet soaps and such other toilet articles as may be specified by the State Government by notification in the official gazette.	1[Eight and a half per cent.]
65-A.	4[Toilet soaps	1[Six and a half per cent.]
66.	Fire works	1[Eight and a half per cent.]
67.	Furs and skins (other than those of cattle, sheep and goats) and articles of personal or domestic use made therefrom.	1[Nine and a half per per cent.]
68.	Stainless steel sheets and articles made of stainless steel other than such articles as are used as parts of industrial machinery or plant.	1[Four and a half per cent.]

1. Substituted by Act 7 of 1966.
2. Certain words omitted by Act 9 of 1964.
3. Inserted by Act 9 of 1964.
4. Substituted by Act 9 of 1964.

SECOND SCHEDULE—(*contd.*)

Sl. No.	*Description of the goods*	*Rate of Tax*
1	2	3
69.	Leather goods of all kinds other than Footwear and goods falling under item 28 of the Fifth Schedule.	1[Five and a half per cent.]
70.	Motor vehicles including motor cars; motor taxi cabs, motor cycles and cycle combinations, motor scooters, motorettes, motor omni busses, motor vans and motor lorries.	1[Eleven per cent]
71.	Chassis of motor vehicles	1[Eleven per cent]
72.	Component parts of motor vehicles	1[Eleven per cent]
73.	Articles (including rubber and other tyres and tubes and batteries) adapted for use as parts and accessories of motor vehicles not being such articles as are ordinarily also used for purposes other than as parts or accessories of motor vehicles.	1[Eleven per cent]
74.	Bullion and specie	1[One per cent]
75.	Tarpaulins and water-proof cloth not manufactured in mills or powerlooms factories.	1[Three and a half per cent.]
76.	2[x x x x ..	..
77.	Mosaic tiles and chips	1[Four and a half per cent.]
78.	Cement and Asbestos sheets, hardboards, plywood and the like.	1[Three and a half per cent.]
79.	Heavy chemicals (such as Sulphuric Acid, Hydro-chloric acid, Caustic Soda, etc.)	1[Three and a half per cent.]
80.	Chicory	1[Five and a half per cent.]
81.	3[x x x x]	..
4[81A.	Dusters and sprayers used for dusting and spraying pesticides and insecticides.	Two per cent
4[81B.	Blasting gunpowder	Two per cent
82.	5[Toddy	Five per cent
6[83.	Handlooms and parts and accessories thereof..	Two per cent.

Explanation.—I..2[omitted.]

1. Substituted by Act 7 of 1966.
2. Omitted by Act 7 of 1966.
3. Omitted by Act 3 of 1966.
4. Inserted by Act 7 of 1966.
5. Substituted by Act 7 of 1966.
6. Added by Act 3 of 1966.
7. Added by Act 9 of 1964.

Explanation.—II

"Country Liquor" in items 38 and 39 means liquor manufactured in India ; 1[other than beer ; or any other liquor] manufactured and compounded in India and coloured and flavoured to resemble gin ; brandy, whisky or rum imported from outside the territory of India.

Explanation.—III

Where a tax has been levied in respect of purchase of coffee seeds under item 43 the coffee powder made out of those coffee seeds is not liable to tax under this Act.

2[*Explanation.—IV*

"Toilet Articles" means any article which is intended for use in the toilet of the human body or in perfuming apparel of any description ; or any substance intended to cleanse, improve or alter the conmplexion, skins hair or teeth and includes deoderants and perfumes.]

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1. Substituted by Act 29 of 1961 with restrospective effect.
2. Added by Act 31 of 1958.

THIRD SCHEDULE

Goods in respect of which a Single point Purchase Tax only is leviable under Section 5 (3) (*b*).

Sl. No.	*Description of the goods*	*Point of levy*	*Rate of tax*
1	2	3	4
1.	1[x xx	xx	
2.	2[x xx	xx xx	
3.	xx xx	xx xx	
4.	Raw Wool	3[Purchase by the last dealer in the State liable to tax under this Act.]	4[Three per cent]
5.	5[x x x	x x x	x
6.	6[x x x	x x x	x
7.	Arecanut	3[Purchase by the first or earliest of successive dealers liable to tax under this Act.	8[Five per cent].
8.	Pepper	do	8[Five per cent].
9.	7[x x x	x x x	x
10.	2[x x x	x x x	x

1. Omitted by Act 31 of 1958.
2. Serial Nos. 2, 3 and 10 omitted by Act 7 of 1966.
3. Substituted by Act 3 of 1966.
4. Substituted by Act 30 of 1962.
5. Omitted by Act 30 of 1962.
6. Omitted by Act 3 of 1966.
7. Omitted by Act 32 of 1958.
8. Substituted by Act 7 of 1966.

THIRD SCHEDULE—(*concld.*)

1	2	3	4
11.	Cashew and its kernal	.. Purchase by the last dealer in the State liable to tax under this Act.	1[Five per cent]
2[11-A.	Sugarcane	.. Purchase by the last dealer in the State liable to tax under this Act—	
	(*a*) when purchased by the manufacturer of khandasari		Three per cent]
	(*b*) in other cases		Ten per cent
12.	Ores including manganese, iron, chromite and kaolin ores.	do	1[Five per cent.
13.	Bones and horns	.. do ..	Two per cent.
3[14.	4[x x x x x]		

5[*Explanation.*—

Where a tax has been levied in respect of cashew under item 11, the kernel pressed out of the said cashew shall not be liable to tax under this Act].

1. Substituted by Act 7 of 1966.
2. Inserted by Act 11 of 1961 and sub by Act 16 of 1967.
3. Added by Act 30 of 1962.
4. Serial No. 14 omitted by Act 7 of 1966.
5. Inserted by Act 31 of 1958.

1[FOURTH SCHEDULE

Declared goods in respect of which a single point tax is leviable under section 5 (4)

Sl. No.	*Description of the goods*	*Point of levy*	*Rate of tax*
1	2	3	4
1.	Coal including Coke in all its forms.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	3[Three per cent.
2.	Iron and steel, that is to say :— (*a*) Pig iron and iron scarp ; (*b*) Iron plates sold in the same form in which they are directly produced by the rolling mill ; (*c*) Steel scrap, steel ingots, steel billets, steel bars and rods. (*d*) (*i*) Steel plates (*ii*) Steel sheets (*iii*) Steel bars and tin bars (*iv*) rolled steel sections. (*iv*) tool alloy steel. Sold in the same form in which they are directly produced by the rolling mill.	Sale by the first or earliest of succesive dealers in the State liable to tax under this Act.	3[Three per cent.
2[3.	Hides and skins, whether in a raw or dressed state.	Purchase by the last dealer in the state liable to tax under this Act.	3[Two per cent.

1. Substituted by Act 31 of 1958.
2. Substituted by Act 29 of 1964.
3. Substituted by Act 16 of 1967.

FOURTH SCHEDULE—(*contd.*)

1	2	3	4
4.	Jute, that is to say, the fibre extracted from plants belonging to the species *corchorus capsu*[*aries* and *corcherus olitorious* and the fibre known as *mesta* or *bimli* extracted from plants of the species *hibiscus cannapinus* and *hibiscus saldarifavar altsisima*, whether baled or otherwise.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[3]Three per cent
5.	(*a*) Groundnut including groundnut seed.	Purchase by the last dealer in the State liable to tax under this Act.	[Three per cent.
	(*b*) Cocoanut and copra, [1][cardamom, castor seeds, Honge seeds Neem seeds, Till (Gingelly) seeds, Kusum (Kardi) seeds and Nigar (Ram Til] ;	Purchase by the first or earleist of successive dealers in the State liable to tax under this Act.	[Three per cent.
	(*c*) Cotton seed ..	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[3]Two per cent.
	(*d*) Other oil seeds, that is to say, seeds [other than those mentioned in sub-items (*a*), (*b*) and (*c*) yielding non-volatile oils used for human consumption, or in industry, or in the manufacture or varnishes, soaps and the like, or in lubrication, and volatile oils used chiefly in medicines, perfumes, cosmetics and the like.	[2]Sale by the first or earliest of successive dealers in the State liable to tax under this Act.]	[2]Three per cent.

1. Added by Act 3 of 1966.
2. Substituted by Act 16 of 1967.
3. Substituted by Act 16 of 1967

FOURTH SCHEDULE *(concld.)*

1	2	3	4
6.	Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned, baled, pressed or otherwise, but not including cotton waste.	Purchase by the last dealer in the State liable to tax under this Act.	1[Two per cent.
7.	Cotton yarn, but not including cotton yarn waste.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	and a half 2[One per cent].

1. Substituted by Act 3 of 1966.
2. Substituted by Act 15 of 1967.

FIFTH SCHEDULE

GOODS EXEMPTED FROM TAX UNDER SECTION 8

Sl. No.	*Description of the goods*
1.	Kum Kum.
2.	Glass Bangales.
3.	Mangalasutra or any other symbolic or sacred ornament worn by the bride on the occasion of the marriage when sold at a price not exceeding rupees fifty.
4.	Salt.
5.	1[Vegetables and vegetable seeds including onion seeds but excluding 2[:: :: [dried vegetables and dehydrated vegetables.]
3[5-A.	Fresh fruits. *Note* :—No tax shall also be payable under the principle Act in respect of the sale of fresh fruits sold on or after the first day of April 1958 and before the date of commencement of Amendment Act : Provided that every dealer who has collected any amount by way of tax under section 18 of the principal Act in respect of the sale of fresh fruits during the said period shall be liable to pay the amount so collected to the State Government as tax under the principal Act whatever his total turnover during the year relating to such fruits may be.]
6.	Eggs, meat and fish except when sold in sealed containers.]
7.	Fresh milk, curds and butter-milk.
4[7-A.	5[Ptatoes, sweet potatoes, onions,]] garlic and ginger.
6[7-B.	Goeen chilies.]
8.	Cumblies woven on handlooms.
5[8-A.	All varieties of textiles, namely, cotton, wollen, silk or artificial silk including rayon or nylon, whether manufactured in mills, powerlooms hand looms, and hosiery cloth in lengths.]

1. Sustituted by Act 30 of 1962.
2. Certain words omitted by Act 9 of 1964.
3. Inserted by Act 31 of 1958.
4. Inseted by Act 32 of 1958.
5. Substituted by Act 9 of 1964.
6. Inserted by Act 9 of 1964

FIFTH SCHEDULE—(*contd.*)

Sl. No.	*Description of the goods*

7[8-B. Gota and Nakki.]

9. Cotton or wollen handspun yarn and all cloths woven on handlooms exclusively out of handspun yarn and articles made of such cloth and sold by persons certified by the 8[Khadi and Village Industries Commission.]

10. Charakas 9[including Amber charkas and their parts, slivers and gutts.

11. Flowers and betel leaves.

12. Plants.

13. Ballot boxes sold for purposes of elections to Houses of Parliament, the State Legislature and Local Authorities in the State.

14. Articles made by students and trainees in Industrial Schools in the State recognised by the Commissioner, when sold for the first time.

15. Silk-worm eggs sold by graineurs recognised by the State Government.

16. Silk worm cocoons sold by cocoon rearers.

17. Medicines dispensed by medical practitioners owning dispensaries, to their patients.

18. Articles made by trainees in the Industrial Training Institutions recognised by the State Government, when sold for the first time.

19. Paper which is recognised by the Commissioner, as hand made paper.

20. Stamp paper sold by vendors duly authorised under the provisions of any law relating to stamps.

21. Water other than the areated and mineral waters.

22. Articles of food and drink sold, supplied or distributed :—

(i) by canteens or hostels run by educational institutions recognised by the Commissioner when such articles are sold, supplied or distributed exclusively to members of the institution concerned ;

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7. Inserted by Act 9 of 1964.
8. Substituted by Act 31 of 1958.
9. Inserted by Act. 16 of 1967.

FIFTH SCHEDULE—(*contd.*)

Sl. No.	*Description of the goods*
	(ii) by hostels run by charitable institutions recognised by the Commissioner when such articles are sold, supplied or distributed exclusively to students residing in the hostel concerned.
9A[	(iii) by canteens recognised by the Commissioner which are run in Central or State Government Offices as an amenity provided for the members of the staff employed in such offices on a 'no profit' basis when such articles are sold, supplied or distributed to such members.
10[	(iv) by canteens which are run in factories and other industrial concerns as an amenity provided for the employees of such factories or concerns on a "no profit" basis under the provisions of the Factories Act, when such articles are sold, supplied or distributed to such employees. ;
23.	Country bullock carts and spare parts thereof.
24.	Agricultural implements which are the products of cottage industry, that is to say, any industry carried on by a person at home not being a factory.
25.	Articles produced by members of Cottage Industrial Co-operative Societies in the State recognised by the Commissioner.
26.	Products of palm-gur industry and of articles, such as, brooms, baskets, mats, brushes and fans, manufactured out of palm leaves, sold by co-operative societies in the State producing such commodities.
27.	Spinning and other craft equipment sold by the Sarvaseva Sangha and its authorised agencies and the 11[Mysore Khadi and Village Industries Board or the Khadi and Village Industries Commission.]

9A. Inserted by Act 29 of 1964.
10. Inserted by Act 3 of 1966.
11. Substituted by Act 31 of 1958.

FIFTH SCHEDULE—(*concld.*)

Sl. No.	*Description of the goods*
28.	Products of Village Industries 12[when sold by a *bonafide* producer recognised by the Commissioner, if necessary, after consultation with the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Act, 1956.]
29.	Fire-wood or charcoal when sold for domestic use.
30.	Slates and Slate pencils.
31.	13[x x x x
14[31-A.	Tobacco and all its products.
14[31-B.	Sugar other than sugar candy, confectionery and the like.]
32.	Motor Spirits.
15[33.	Electricity energy].
14[34.	(i) Canteen stores sold to the Canteen Stores Department of the Government of India and such Stores sold by the said Department to the Regimenta or Unit-run Canteens in the State.
	(ii) Canteen Stores sold by the Regimental or Unit-run Canteens to the Armed Forces in the State, provided the Canteen Stores are those obtained from the Canteen Stores Department of the Government of India and the sale price does not exceed the sale price fixed by the Government of India.
16[34-A.	Goods sold to the Indian Aid Mission, Nepal, certified by the Director of the said Mission as being required for Indian aided projects in Nepal]. ;
35.	Books meant for reading.]
17[36.	Goods sold to the World Health Organisation and to the United Nations International Children's Emergency Fund for their official use.
37.	Plantain leaves.
38.	18[Druggets, Durries and Carpets,
39.	Educational films certified as such by the Commissioner.]

12. Substituted by Act 32 of 1958.
13. Omitted by Act 32 of 1958.
14. Inserted by Act 31 of 1958.
15. Added by Act 9 of 1958.
16. Inserted by Act 29 of 1964.
17. Added by Act 30 of 1962.
18. Substituted by Act 16 of 1967.

FIFTH SCHEDULE—(*concld.*)

Sl. No.	*Description of the goods*
	(II) "Motor Spirit" in item 32 means motor spirit as defined in the Mysore Sales of Motor Spirit Taxation Act, 1957.
19[40.	Foodgrains when sold by the Central Government.
19[41.	Foodgrains when sold by a Wholesale Co-operative Society to a Primary Co-operative Society.]
20[42.	Electrical instruments sold to Educational Institutions for use as teaching aids
21(43.	Contraceptives.

Explanation.—

18[(I) In item 28—

(a) "Village Industry" means village industry as defined in the Mysore Khadi and Village Industries Act, 1956, if the number of persons employed in, or the number of units of production of each industry does not exceed such number as may be prescribed ,

(b) "bona fide producer" shall not include a person who produces any goods which are not products of vill age industry.

19. Inserted by Act 29 of 1964.
20. Inserted by Act 3 of 1966.
21. Inserted by Act 16 of 1967.